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GOVERNMENT OF PUNJAB
DEPARTMENT OF MINES AND GEOLOGY
(PROJECT BRANCH)

NOTIFICATION
The 30th April, 2025

No.E- 861541 M/G-PSMG0MISC/2/2025/PJ6/159.- In continuation of the Punjab State Minor Mineral Policy, 2023 notified vide no. PB/Mineral Policy/2023/1293 dated 13.03.2023 and all other powers enabling him in this behalf, the Governor of Punjab is pleased to amend the Punjab State Minor Mineral Policy, 2023, in the following manner, namely:-

1. This policy may be called The Punjab State Minor Minerals (Amendment) Policy, 2025 and this policy shall come into effect from the date of its publication in the official Gazette.
2. In the Punjab State Minor Mineral Policy, 2023, under clause-2 after Sub clause d. following Sub clause shall be inserted namely:

“e. “CRMS - Crusher Mining Sites” shall mean gravel mining sites operated by Crusher owners having crusher units registered with the Department.”

3. In the Punjab State Minor Mineral Policy, 2023, under clause-2 after Sub clause k. following Sub clause shall be inserted namely:

“m. “LMS- Landowner Mining Sites” shall mean sites where sand is available for extraction and landowner(s) have the first right to opt to mine the mineral themselves or in a group or through third party authorized by the landowner(s). Any sand mining site, Government or Panchayat land, may be considered for auction as LMS. Gravel sites only in Government or Panchayat lands can be considered for auction as LMS.

4. In the Punjab State Minor Mineral Policy, 2023, under clause-2,

- I. in sub-clause ‘e’, for the number ‘e’, number ‘f’ shall be substituted;
- II. in sub-clause ‘f’, for the number ‘f’, number ‘g’ shall be substituted;
- III. in sub-clause ‘g’, for the number ‘g’, number ‘h’ shall be substituted;
- IV. in sub-clause ‘h’, for the number ‘i’, number ‘i’ shall be substituted;
- V. in sub-clause ‘i’, for the number ‘j’, number ‘j’ shall be substituted;
- VI. in sub-clause ‘j’, for the number ‘j’, number ‘k’ shall be substituted;
- VII. in sub-clause ‘k’, for the number ‘k’, number ‘l’ shall be substituted;
- VIII. in sub-clause ‘l’, for the number ‘l’, number ‘n’ shall be substituted;
- IX. in sub-clause ‘m’, for the number ‘m’, number ‘o’ shall be substituted;
- X. in sub-clause ‘n’, for the number ‘n’, number ‘p’ shall be substituted;
- XI. in sub-clause ‘o’, for the number ‘o’, number ‘q’ shall be substituted;
- XII. in sub-clause ‘p’, for the number ‘p’, number ‘r’ shall be substituted;
- XIII. in sub-clause ‘q’, for the number ‘q’, number ‘s’ shall be substituted;

- XIV. in sub-clause 'r', for the number 'r', number 't' shall be substituted;
- XV. in sub-clause 's', for the number 's', number 'u' shall be substituted;
- XVI. in sub-clause 't', for the number 't', number 'v' shall be substituted;
- XVII. in sub-clause 'u', for the number 'u', number 'w' shall be substituted;
- XVIII. in sub-clause 'v', for the number 'v', number 'x' shall be substituted.

5. In the Punjab State Minor Mineral Policy, 2023, under Clause 3, Sub-Clause (a) shall be substituted :

"There shall be FOUR classes of Mining Sites namely Commercial Mining Sites (CMS), Crusher Mining Sites (CRMS), Landowner Sand Mining Sites(LMS) and Public Mining Sites (PMS). While Commercial Mining Sites shall be grouped into distinct Clusters, the Crusher Mining Sites, Landowner Sand Mining Sites and Public Mining Sites shall be stand alone sites."

6. In the Punjab State Minor Mineral Policy, 2023, under Clause 3, Sub Clause (i) shall be omitted and the following Sub-Clauses shall be inserted under Clause 3, after Sub-Clause (h):

- (i) *Annexure VII-A will give details of estimated available sand and gravel in each CRMS Site, the excavation method permitted by SEIAA, the validity of such permission and the quantities to be allowed for quarrying.*
- (j) *Annexure VII-B will give details of estimated available sand in each LMS Site, the excavation method permitted by SEIAA, the validity of such permission and the quantities to be allowed for quarrying.*
- (k) *Annexures I-VII-B can be amended at any time by the Government*

7. In the Punjab State Minor Mineral Policy, 2023, the following Clause 5A shall be inserted after Clause 5 :

"5A. Crusher Mining Sites (CRMS)

- a. CRMS shall be limited to areas where gravel is available.*
- b. Mining Rights in any CRMS shall be granted for a period of FIVE years. Thereafter fresh applications shall be received.*
- c. Any site already auctioned as a CMS shall not be allowed to be operated as a CRMS until at least the expiry of the contract period of such a CMS, or until the expiry of three years hence. where such a contract is yet to be signed.*
- d. Letter of Intent for running a CRMS may be granted by the Director, or any officer authorised by him, to a Crusher Owner, having one or more Crusher Unit, upon receipt of an application requesting grant of Mining Rights for an area clearly described in the application and on payment of such non-refundable fee as may be prescribed by the Department from time to time.*
- e. Whenever more than one Crusher Owner has applied for the same area or same part area, the Letter of Intent shall be awarded to each such Crusher Owner. Mining Rights shall be granted to the Crusher owner who is the first to obtain the mandatory Environmental Clearance and the Consent to Operate.*
- f. The owner of any land shall not be permitted to grant "Landowner Consent", for obtaining Environmental Clearance for such land, to more than one person holding a letter of Intent for running a CRMS. Wherever the owner of any land has granted Landowner Consent to*

more than one person at any given point in time, such land shall not be considered for running a CRMS until the expiry of a period of 2 years since the grant of such Landowner Consent.

- g. The payment of landowner compensation to the landowners shall be the sole responsibility of the Crusher Owner who has been awarded the Mining Rights.*
- h. Where the Letter of Intent of a CRMS has been granted to any Crusher Owner, it shall be the responsibility of such a Crusher Owner to obtain the Environmental Clearance and a valid Consent to Operate within six months of the grant of Letter of Intent, failing which the Letter of Intent shall automatically stand withdrawn and any fee received along with the application shall stand automatically forfeited. Provided that the District Mining Officer may allow an additional period of 6 months to obtain the Environmental Clearance and the Consent to Operate in special circumstances, for reasons to be recorded in writing, on payment of additional fee equivalent to 25% of the fee charged at the time of applying for Letter of Intent. Upon failure of meeting the revised deadline, the entire fee shall stand forfeited.*
- i. The Mining Lease for a CRMS site shall be executed upon receipt of an application, accompanied by proof of grant of Environmental Clearance and Consent to Operate for such as site. The decision to grant the Mining Lease shall be taken within 30 days of receipt of such an application.*
- j. The person receiving the Mining Rights shall be responsible for creating necessary infrastructure at the site in accordance with the guidelines issued from time to time. He shall also be responsible for ensuring that mining in the CRMS allotted to him is done strictly in accordance with the guidelines issued by the Director and/ or SEIAA and/or Ministry of Environment & Forests, Government of India from time to time.*
- k. The Director, Mines and Geology shall determine the annual extractable quantity from the area of CRMS and the person receiving the Mining Rights shall not extract any minor minerals beyond such quantity*
- l. Where the Mining Lease of a CRMS has been executed and the allowed annual extractable quantity exceeds the annual capacity of the crusher; the excess quantity must be sold in the open market on an annual basis. Additionally, the government may prescribe a percentage of the allowed annual extractable quantity that the crusher unit(s) must sell in the open market each year. For any default in complying with this provision, the Crusher Owner shall be liable to pay a penal amount equal to two times the royalty payable on the defaulting quantity. The procedure for recovery of this penal amount shall be the same as is prescribed for recovery of penal amounts for illegally mined material.*
- m. The Pit Head Price for a CRMS shall be as defined in Annexure VIII of the Punjab State Minor Minerals Policy, 2023*
- n. If a crusher owner has any piece of land other than the land for which he has applied for CRMS within a radius of 1 km from the crusher unit or the applied for mining site, then it will be mandatory for the crusher owner to include such land(s) in the proposed CRMS site. The Crusher Owner shall give self-declaration in this regard and false self-declaration can entail cancellation of Crusher Mining Site.*
- o. The concession amount for a CRMS shall be payable in the same manner as applicable for a CMS site.”*

8. In the Punjab State Minor Mineral Policy, 2023, the following Clause 5B shall be inserted after Clause 5A :

“5B. Landowner Mining Sites (LMS)

- a. LMS shall be limited to areas where sand or Gravel is available.*
- b. The minimum contiguous area (in acres) of an LMS shall be as prescribed by the State Government.*
- c. Mining Rights in any LMS shall be granted to owners, or to Person duly authorised by such Landowner(s); or to holders of land owner consent in case of Government Lands / Panchayat lands for a period of FIVE years or the period for which Environmental Clearance is available for the Site, whichever is lesser. Thereafter fresh applications shall be received.*
- d. The Landowner(s) will have the first right of refusal during the course of the auction process of an LMS.*
- e. Any site already auctioned as a CMS shall not be allowed to be operated as an LMS until at least the expiry of the contract period of such a CMS, or until the expiry of three years hence, where such a contract is yet to be signed.*
- f. Letter of Intent for running an LMS may be granted by the Director, or any officer authorised by him, to the Landowner of such a Site, or a group of Landowners whose contiguous land collectively forms the LMS Site, or to a Person duly authorised by such Landowner(s), upon receipt of an application requesting grant of Mining Rights for an area clearly described in the application and on payment of such non-refundable fee as may be prescribed by the Department from time to time.*
- g. Whenever a group of Landowners has been granted Mining Rights for an area, such Landowner(s) shall be jointly and severally liable for any act of omission or commission while operating the Mining Site.*
- h. Whenever a Person duly authorised by such Landowner(s) has been granted Mining Rights for an area, such a Person along with the Landowner(s) shall be jointly and severally liable for any act of omission or commission while operating the Mining Site.*
- i. Where the Mining Rights of an LMS has been granted to any Person / Landowner(s), it shall be their responsibility to obtain the Environmental Clearance and a valid Consent to Operate within six months of the grant of Letter of Intent, failing which the Letter of Intent shall automatically stand withdrawn and any fee received along with the application shall stand automatically forfeited. Provided that the District Mining Officer may allow an additional period of 6 months to obtain the Environmental Clearance and the Consent to Operate in special circumstances, for reasons to be recorded in writing, on payment of additional fee equivalent to 25% of the fee charged at the time of applying for Letter of Intent. Upon failure of meeting the revised deadline, the entire fee shall stand forfeited.*
- j. The Mining Lease for an LMS site shall be executed upon receipt of an application, accompanied by proof of grant of Environmental Clearance and Consent to Operate for such as site.*
- k. The Person / Landowner(s) receiving the Mining Rights shall be responsible for creating necessary infrastructure at the site in accordance with the guidelines issued from time to time. They shall also be responsible for ensuring that mining in the LMS allotted to them is done strictly in accordance with the guidelines issued by the Director*

and/ or SELAA and/or Ministry of Environment & Forests, Government of India from time to time.

- l. The Director, Mines and Geology shall determine the annual extractable quantity from the area of LMS and the person / Landowner(s) receiving the Mining Rights shall ensure that extraction of minor minerals beyond such quantity does not take place.*
- m. The Pit Head Price for an LMS shall be as defined in Annexure VIII of the Punjab State Minor Minerals Policy, 2023*
- n. Letter of Intent of an LMS shall not be issued for any site which is a fraction of the total Landholding of a Landowner or a Group of Landowners for which Mining Rights are being sought. Explanation: "Landholding" shall only refer to land where sand is available. Where a single Khewat in the Jamabandi contains both land containing sand and land without sand, only the Khasra Numbers of the land containing sand shall be covered under the definition of "Landholding".*
- o. The concession amount for an LMS shall be payable in the same manner as applicable for a CMS site.*
- p. Where the ownership of a Land vests with the State Government or the Gram Panchayat, such a Land shall be operated as a PMS or CMS or an LMS where only sand is present on such land, or as CRMS or an LMS where both sand and gravel are present on such Land. In all such cases where the site is operated as an LMS, the provisions of preceding paragraphs (a)-(n) shall not apply. In their place such an LMS shall be governed by the following provisions-*
 - i. The "Landowner Consent" for Provincial Government Lands belonging to Revenue Department shall be issued by the Deputy Commissioner of the District.*
 - ii. The "Landowner Consent" for Government Lands belonging to Departments other than the Revenue Department shall be issued by the concerned Department.*
 - iii. The "Landowner Consent" for Panchayat Lands shall be issued by the Deputy Commissioner after the Panchayat has passed a resolution to that effect.*
 - iv. The Landowner Compensation, as determined by the Government, shall be payable to the State Government and the Panchayat, as the case may be.*
 - v. Mining Rights for such lands shall be auctioned as prescribed in a manner as may be prescribed by the Government.*
 - vi. Where the Mining Rights of an LMS has been granted to any Person, it shall be his responsibility to obtain the Environmental Clearance and a valid Consent to Operate within six months of the grant of Letter of Intent, failing which the Letter of Intent shall automatically stand withdrawn and any fee received along with the application shall stand automatically forfeited. Provided that the District Mining Officer may allow an additional period of 6 months to obtain the Environmental Clearance and the Consent to Operate in special circumstances, for reasons to be recorded in writing, on payment of additional fee equivalent to 25% of the fee charged at the time of applying for Letter of Intent. Upon failure of meeting the revised deadline, the entire fee shall stand forfeited.*

- vii. *The Mining Lease for an LMS site shall be executed upon receipt of an application, accompanied by proof of grant of Environmental Clearance and Consent to Operate for such as site.*
 - viii. *Methodology of excavation of sand in LMS sites shall be as permitted in the Annexure VII-B to this Policy.*
 - ix. *The Person receiving the Mining Rights shall be responsible for creating necessary infrastructure at the site in accordance with the guidelines issued from time to time. He shall also be responsible for ensuring that mining in the LMS allotted to him is done strictly in accordance with the guidelines issued by the Director and/ or SEIAA and/or Ministry of Environment & Forests, Government of India from time to time.*
 - x. *The Director, Mines and Geology shall determine the annual extractable quantity from the area of LMS and the person receiving the Mining Rights shall ensure that extraction of minor minerals beyond such quantity does not take place.*
 - xi. *The Pit Head Price, and it's components, for an LMS shall be as notified by the Government from time to time."*
9. In the Punjab State Minor Mineral Policy, 2023 following sub-clause "(f)" shall be inserted after sub-clause "(e)" under "Annual Concession Quantity" :

"f. Any offer or approval for an increase in annual concession quantity, in any year during the concession period, shall be subject to any restrictions imposed by SEIAA."

10. In the Punjab State Minor Mineral Policy, 2023, for clause 'Construction of Basements in Buildings', the following clause shall be substituted, namely:

"21. Construction of Basements in Buildings and Other development Works

- a. *The royalty of the mineral excavated during the construction of the basement or anyother development work shall be charged by the Department of the Mines & Geology, Punjab before issuing K-2 Permit.*
- b. *Royalty or any other fees shall not be applicable for residential houses of any size or for any other building on a plot size upto 500 square yards.*
- c. *No Royalty or any Fees shall be charged for excavation of earth, other than sand and gravel, for the purpose of establishing an Industrial Unit at any site:-*
 - i. *If the site is approved by the Department of Housing and Urban Development, Government of Punjab; OR*
 - ii. *If the site is approved by an Urban Local Body; OR*
 - iii. *If the Industrial Unit is registered with the Bureau of Investment Promotion, Government of Punjab; OR*
 - iv. *If the Industrial Unit is being established in any Industrial Focal Point within the State of Punjab; OR*
 - v. *If the Industrial Unit is being established in any Industrial Estate developed by the State Government or its Agencies*
- d. *However K-2 Permit shall also be obtained by all above concerned even if they are exempted from Government Charges."*

11. In the Punjab State Minor Mineral Policy, 2023,

- I. clause under name 'Cluster' shall be numbered as '6';
- II. clause under name 'Grant of Mining Rights shall be numbered as '7';
- III. clause under name 'Period of Concession shall be numbered as '8';
- IV. clause under name 'Application for Grant of Mining Rights shall be numbered as '9';
- V. clause under name 'Application Fee shall be numbered as '10';
- VI. clause under name 'Eligibility and Capacity shall be numbered as '11';
- VII. clause under name 'Total Concession Quantity' shall be numbered as '12';
- VIII. clause under name 'Annual Concession Quantity' shall be numbered as '13';
- IX. clause under name 'Sale Price of Sand and gravel' shall be numbered as '14';
- X. clause under name 'Power to revise Pithead rate' shall be numbered as '15';
- XI. clause under name 'Concession Amount' shall be numbered as '16';
- XII. clause under name 'Security' shall be numbered as '17';
- XIII. clause under name 'Award of Concession and Signing of Agreement shall be numbered as '18';
- XIV. clause under name 'Start of Concession Period' shall be numbered as '19';
- XV. clause under name 'Identification of Mines and Clearances' shall be numbered as '20';
- XVI. clause under name 'Royalty Rate of Clay and Ordinary Earth' shall be numbered as '22';
- XVII. clause under name 'Excavation of Ordinary Earth' shall be numbered as '23';
- XVIII. clause under name 'Unauthorized Transport of Sand & Gravel' shall be numbered as '24';
- XIX. clause under name 'Failure to Excavate Adequate Quantity' shall be numbered as '25';
- XX. clause under name 'Surrender of Concession' shall be numbered as '26';
- XXI. clause under name 'Punjab Sand Portal' shall be numbered as '27';
- XXII. clause under name 'Registration of Vehicles on Punjab Sand Portal' shall be numbered as '28';
- XXIII. clause under name 'Weigh-bridges and Weighment Slips' shall be numbered as '29';
- XXIV. clause under name 'Geo-tagging of Mines' to Continue Operations' shall be numbered as '30'
- XXV. clause under name 'Currently Auctioned Mines to Continue Operations' shall be numbered as '31'
- XXVI. clause under name 'Amendment in Rules' shall be numbered as '32';
- XXVII. clause under name 'Review' shall be numbered as '33';
- XXVIII. clause under name 'Implementation and Appeal' shall be numbered as '34'.

12. In the Punjab State Minor Mineral Policy, 2023, Annexure VIII shall be substituted as below :

“Annexure VIII

The Pit Head Price of sand and gravel in any Mining Site shall be as under-

Sr No	Description	Rate per cubic feet (in Rupees) for gravel or RBM in any CMS/CRMS/LMS	Rate per cubic feet for river sand (in Rupees) in any CMS/LMS	Rate per cubic feet (in Rupees) for river sand in any PMS
1	Royalty payable to the State Government	3.15	1.75	1.75
2	District Mineral Foundation Fund (1/3 of Royalty)	1.05	0.58	0.58
3	Environment Management Fund (@ 10% of Royalty)	0.30	0.17	0.17
4	Land owner compensation	2.00	2.00	2.00
5	Cost of excavation and loading and profit margin for any Concessionaire in any CMS/CRMS/LMS	2.40	2.40	0
6	Operational cost of running the PMS site (To be retained by the Government)	N/A	N/A	2.40
7	IT & Weigh Bridge charges	0.10	0.10	0.10
8	Maximum sale price at pit head	9.00	7.00	7.00

Note:

1. The Government may at its discretion and by an Executive Orders may amend any or all of the entries in the above table.
2. The amounts against the entries at Sr. No. 1-3 shall be deposited with the Government
3. Rs. 0.10 against the Entry at Sr No 7 shall be deposited with the Government.
4. The Concessionaire shall directly settle his accounts with the landowner with regard to landowner compensation.
5. If any other cess or fund is imposed by the Government from time to time, it will be additional to above mentioned pit head price, as applicable.”

Sd/-

JASPREET TALWAR, IAS

Additional Chief Secretary to Government of Punjab
Department of Mines and Geology

Chandigarh
The 30th April, 2025